

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2142 - SB 2395

February 11, 2022

SUMMARY OF BILL: Designates June 19 of each year as “Juneteenth” and a legal holiday.

FISCAL IMPACT:

Increase State Expenditures – Net Impact –
Up to \$474,400/FY21-22 and Subsequent Years

Other Fiscal Impact - To the extent local governments opt to observe the holiday, there will be an unquantifiable permissive recurring increase in local expenditures.

The Governor’s proposed budget for FY22-23 recognizes a one-time supplement in General Fund dollars of \$7,700,000 in FY21-22 (page A-27) and a recurring increase in state expenditures from the General Fund of \$7,700,000 beginning in FY22-23 (page A-33).

Assumptions:

- Certain state employees will still be required to work on this holiday and will receive compensatory time for such work.
- Based on information provided by the Department of Human Resources, approximately 2,947 employees earned compensatory time on July 4th, 2021. The total value of such earned time, based on the hourly rates of employees, is estimated to be approximately \$474,420. Assuming this is a fair representation of those individuals required to work on a holiday, this estimate will be used in this analysis.
- Employees who work on the holiday and utilize their earned compensatory time will not result in a significant monetary impact on state expenditures. However, if any such employees do not utilize earned compensatory time and leave state service, they will be compensated for the earned time, resulting in an increase in state expenditures.
- Due to multiple unknown factors, the precise amount of any such increase in expenditures cannot be quantified but is reasonably estimated to range from \$161 per employee per holiday ($\$474,420 / 2,947$) up to \$474,420 for all employees per holiday. Therefore, the annual increase in fiscal liability to the state is up to \$474,420.
- In addition, employees that would have been absent from work and would have been without pay due to zero annual and sick leave balances in the absence of this legislation,

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will instead receive pay for this holiday. Finally, some employees may work overtime to make up for work missed during the holiday. However, any increase in state expenditures associated with these two groups of employees is estimated to be not significant.

- The Governor's proposed budget for FY22-23, on page A-33, recognizes a recurring increase in state expenditures from the General Fund of \$7,700,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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